

UNITED STATES OF AMERICA
Before the
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Experimental "Ride-Along")
Classification Change for Periodicals)

Docket No. MC2000-1

NOTICE OF OFFICE OF THE CONSUMER ADVOCATE
OF PROPOSED MODIFICATIONS TO
DATA COLLECTION PLAN OF THE POSTAL SERVICE
(October 21, 1999)

The Office of the Consumer Advocate hereby submits proposed modifications to the Postal Service's data collection plan for the "Ride-Along" experiment. The proposed modifications, attached, are intended to serve as a basis for discussion at the October 27, 1999, technical and settlement conference.

Respectfully submitted,



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Attorney

OCA MODIFICATIONS TO THE POSTAL SERVICE'S PROPOSED DATA COLLECTION PLAN FOR THE "RIDE-ALONG" EXPERIMENT

The Office of the Consumer Advocate (OCA) proposes certain modifications to the Postal Service's data collection and reporting requirements to better satisfy rules 54 and 64 of the Commission's Rules of Practice, and to facilitate postal management's and the Commission's evaluation of the experimental "Ride-Along" classification. OCA's approach to data collection is generally similar to the "Data Collection Plan" proposed by the Postal Service. See USPS-T-1, Attachment A, at 18-19. However, OCA's plan clarifies the type of data to be collected and proposes a reporting schedule during the experiment.

REVENUES, PIECES AND WEIGHT

The Postal Service proposes that all mailers of Periodicals mailings report the number of "Ride-Along" pieces, the weight, and the revenue associated with the "Ride-Along" pieces in each Periodicals mailing. USPS-T-1 at 18. Mailers would complete an "alternate" Periodicals Mailing Statement, Form 3541, that requested this data, USPS-T-1 at 12, or an "alternate version" of Form 3541 to be made available electronically during the experiment. USPS-T-1 at 18.

OCA supports the collection of this data. In addition to collecting the total weight of the "Ride-Along" pieces in a Periodicals mailing, however, OCA proposes that the Postal Service collect the number of pieces by weight where there may be different weights of "Ride-Along" pieces in a Periodicals mailing.

IMPACT ON COST

The Postal Service intends to collect samples of all Periodicals mailings with "Ride-Along" attachments. USPS-T-1 at 18-19. The Postal Service then proposes to evaluate the mailings in order to accomplish two objectives. First, when the Postal Service finds that mailings do not meet the requirements of the "Ride-Along" classification, it intends to notify mailers to ensure that future mailings comply with the requirements. Second, it intends to evaluate the mailings to ensure that additional mail processing and delivery costs are not being incurred as a result of the "Ride-Along" attachments. USPS-T-1 at 19.

The evaluation appears to be simply a visual "examination" of the mailings, USPS-T-1 at 13, by an office not yet assigned to this task. This type of "evaluation" is unlikely to accomplish the intended objectives, particularly the second objective. Such an evaluation will identify only the most obvious examples that are nonmachinable, or whose characteristics would obviously increase postal costs. More problematic are those mailings that satisfy the classification requirements, are accepted into the mailstream, and "pass" the visual examination, but nevertheless incur additional mail processing and delivery costs because of features of the pieces that complicate processing and delivery operations.

The evaluation process must be designed to identify such subtle changes in the handling characteristics of the Periodicals pieces due to the "Ride-Along" enclosure or attachment. The proposed "Data Collection Plan," however, does not discuss how the Postal Service intends to collect or report increased mail processing or delivery costs, if any, that result from the addition of "Ride-Along" pieces to Periodicals. USPS-T-1 at 18-

19. As a result, OCA questions how the stated objectives of the proposed evaluation can be achieved without a more thorough process to identify and estimate increased mail processing and delivery costs, if any, during the operation of the experiment.

To better achieve the Postal Service's objectives, OCA requests that the Postal Service report the volume of Periodicals pieces that meet the "Ride-Along" classification requirements and the eligibility standards of the DMM, but nevertheless complicate or alter mail processing and delivery operations, thus increasing costs. OCA also requests that the Postal Service compare the processing time for machinable Periodicals pieces with and without "Ride-Along" enclosures or attachments, and estimate any increase in mail processing and delivery costs associated with those Periodicals mailings that satisfy the classification and eligibility requirements. The Postal Service should also report on any efforts to eliminate from the mailstream Periodicals pieces that meet the "Ride-Along" classification requirements and the eligibility standards of the DMM, but nevertheless complicate or alter mail processing and delivery operations, and its progress in reducing the additional costs, if any, that may be associated with such Periodicals pieces.

MARKET DATA SURVEY

The Postal Service proposes to conduct a survey of advertisers. The purpose of the survey is to estimate any diversion from other classes of mail as well as "alternative delivery mediums." USPS-T-1 at 19.

OCA proposes that the Postal Service conduct its survey so as to obtain data both for the six-month period immediately prior to the beginning of the experiment and

for the sixth through twelfth months of the experiment, and that the survey data be reported to the Commission promptly. OCA requests that the survey obtain comprehensive data during these periods on the following:

- The number of publishers mailing Standard (A) mail as an enclosure or attachment to Periodicals publications at the Standard (A) postage rate during the six-month period immediately prior to the initiation of the experiment.
- The number of Periodical publications containing Standard (A) mail as an enclosure or attachment mailed at the Standard (A) postage rate during the six-month period immediately prior to the initiation of the experiment.
- The volume of Standard (A) mail enclosed or attached to Periodicals publications mailed at the Standard (A) postage rate during the six-month period immediately prior to the initiation of the experiment.
- The number of publishers mailing Standard (A) mail as a "Ride-Along" enclosure or attachment at six and twelve months into the experiment.
- The number of Periodicals publications containing Standard (A) mail as a "Ride-Along" enclosure or attachment at six and twelve months into the experiment.
- The total Standard (A) mail volume of enclosures or attachments for the six month period immediately prior to the experiment for publications that mail "Ride-Along" pieces during the experiment.
- The total Periodicals mail volume for the six month period immediately prior to the experiment for publications that mail "Ride-Along" pieces during the experiment.

- The total Standard (A) mail volume of "Ride-Along" enclosures or attachments at the end of the survey period for publications that mail "Ride-Along" pieces.
- The total Periodicals mail volume at the end of the survey period for publications that mail "Ride-Along" pieces.
- The volume of "Ride-Along" pieces by type (e.g., product samples, CDs, advertising, coupons, catalogs, etc.) during the sixth through twelfth months of the experiment.
- The total number of "run-of-press" advertising pages during the sixth-month period immediately prior to the initiation of the experiment in Periodical publications that enclose or attach "Ride-Along" pieces during the of the experiment.
- The total number of "run-of-press" advertising pages in Periodical publications that enclose or attach "Ride-Along" pieces during the sixth through twelfth months of the experiment.

FREQUENCY OF REPORTING TO THE COMMISSION DURING THE EXPERIMENT

The Postal Service's proposed "Data Collection Plan" does not discuss a timetable for reporting the results of its data collection plan and the findings of its survey of advertisers to the Commission during the experiment. USPS-T-1 at 18-19.

OCA requests that the Postal Service compile and report to the Commission the Form 3541 (mailing statement) data, as modified by OCA's requests herein, for each quarter of the experiment, with data broken out by accounting period. The reports should be filed one month after the end of the quarter. With respect to the survey, OCA

requests that the results of the survey be reported to the Commission not more than two months after the close of the survey period.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


STEPHANIE S. WALLACE

Washington, D.C. 20268-0001
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